
**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION**

**AS OF AND FOR THE
YEAR ENDED JUNE 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 25 2012**

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR JUNE 30, 2011**

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BASIC FINANCIAL STATEMENTS

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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

Michael Mitchell
The District Public Defender
Nineteenth Judicial District of Louisiana
P. O. Box 3356
Baton Rouge, Louisiana 70821

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the District Public Defender, Nineteenth Judicial District of Louisiana, a component unit of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the District Public Defender, Nineteenth Judicial District of Louisiana's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District Public Defender, Nineteenth Judicial District of Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

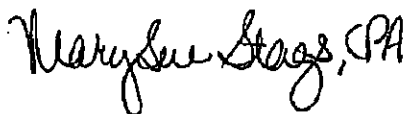
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the District Public Defender, Nineteenth Judicial District of Louisiana, a component unit of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to do so.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2011, on our consideration of the District Public Defender, Nineteenth Judicial District of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA,
A Professional Accounting Corporation
October 24, 2011

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

The purpose of this section is to offer management's discussion and analysis of the District Public Defender, Nineteenth Judicial District of Louisiana's (hereafter referred to as the Public Defender) financial performance during the year ended June 30, 2011. It should be read in conjunction with the financial report taken as a whole.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplemental information contained in this report.

Government-wide Financial Statements. The government-wide financial statements, beginning on page 9, present financial information for all activities of the Public Defender from an economic resources measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the Public Defender's overall financial status. They include a statement of net assets and statement of activities.

Statement of Net Assets. This statement presents information on all of the Public Defender's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Public Defender is improving or not.

Statement of Activities. This statement presents information showing how the Public Defender's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Public Defender's financial reliance on general revenues.

Both government-wide financial statements distinguish functions of the Public Defender that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Public Defender include activities related to public defense.

The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Public Defender uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Public Defender has only one category of funds: governmental funds.

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

The fund financial statements can be found on pages 12-15 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The index of the notes is found on page 17 with the actual notes beginning immediately afterwards.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Public Defender's budgetary comparisons.

FINANCIAL ANALYSIS OF THE PUBLIC DEFENDER

Net assets are an indicator of the Public Defender's financial position from year to year. The following is a summary of net assets as of June 30, 2011 and 2010:

**SUMMARY OF NET ASSETS
Governmental Activities**

	<u>2011</u>	<u>2010</u>
Assets		
Current and other assets	\$ 1,871,309.44	\$ 2,117,176.50
Capital assets, net	<u>48,910.26</u>	<u>57,414.36</u>
Total Assets	1,920,219.70	2,174,590.86
Liabilities		
Current liabilities	870,289.15	869,794.58
Net Assets		
Invested in capital assets, net of related debt	48,910.26	57,414.36
Unrestricted	<u>1,001,020.29</u>	<u>1,247,381.94</u>
Total Net Assets	<u>1,049,930.55</u>	<u>1,304,796.28</u>

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

The most significant portion of current and other assets is receivables totaling \$963,877 (51%) and cash/cash equivalents totaling \$841,307 (44%).

Net assets decreased by \$254,866 during the current year. A summary of these changes is as follows:

**SUMMARY OF CHANGES IN NET ASSETS
Governmental Activities**

	<u>2011</u>	<u>2010</u>
Revenues		
Operating grants and contributions	\$ 1,011,345.00	\$ 1,004,698.48
General revenues:		
Fines, forfeitures and other	3,738,789.95	3,424,052.90
Investment earnings	<u>11,682.20</u>	<u>11,125.80</u>
Total Revenues	4,761,817.15	4,439,877.18
Expenses	<u>5,016,682.90</u>	<u>5,278,157.88</u>
Change in Net Assets	<u>(254,865.75)</u>	<u>(838,280.70)</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Public Defender's investment in capital assets, net of accumulated depreciation, at June 30, 2011 and 2010, was \$48,910 and \$57,414, respectively. There were no capital additions during the year. All assets are properly tagged and a detailed list is maintained.

BUDGETARY HIGHLIGHTS

The Public Defender received \$682,839 more than it anticipated, and expenditures were held to \$33,050 less than budgeted amounts. This resulted in a favorable variance of \$715,889 in fund balances.

Information related to the comparison of actual to budgeted revenues and expenses can be found on page 29.

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS		
Net of Accumulated Depreciation		
	<u>2011</u>	<u>2010</u>
Equipment	\$ 21,059.74	\$ 28,617.59
Office furniture	<u>27,850.52</u>	<u>28,796.77</u>
Net	<u>48,910.26</u>	<u>57,414.36</u>

Long-Term Debt: The Public Defender currently has no long-term debt.

REQUEST FOR INFORMATION

A copy of this report or additional information can be obtained by writing or contacting Beverly Rice at the Office of the Public Defender, P. O. Box 3356, Baton Rouge, Louisiana 70821, (225) 389-3150.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2011**

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 841,306.69
Prepaid expenses	40,103.27
Receivables, net	963,876.85
Investments	26,022.63
Capital assets, net	<u>48,910.26</u>
Total Assets	1,920,219.70
<u>LIABILITIES</u>	
Accounts payable	869,875.17
Payroll related payables	<u>413.98</u>
Total Liabilities	<u>870,289.15</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	48,910.26
Unrestricted	<u>1,001,020.29</u>
Total Net Assets	<u><u>1,049,930.55</u></u>

See Accompanying Notes and Independent Auditors' Report

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net Revenues (Expenses)</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants & Contributions</u>	<u>Operating Grants & Contributions</u>	
Governmental Activities					
General government	\$ 635,610.34	\$ -	\$ -	\$ -	\$ (635,610.34)
Public defense	4,381,072.56	-	-	1,011,345.00	(3,369,727.56)
Total Governmental Activities	5,016,682.90	-	-	1,011,345.00	(4,005,337.90)
General Revenues					
Fines, forfeitures, court costs and other					3,738,789.95
Investment earnings					11,682.20
Total General Revenues					3,750,472.15
Change in Net Assets					(254,865.75)
Net Assets, beginning					1,304,796.28
Net Assets, ending					1,049,930.53

See Accompanying Notes and Independent Auditors' Report

FUND FINANCIAL STATEMENTS

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

ASSETS

Cash and cash equivalents	\$ 841,306.69
Prepaid expenses	40,103.27
Receivables, net:	
Court	297,314.20
Sheriff	181,274.66
Defendant court-ordered	485,287.99
Investments	<u>26,022.63</u>
TOTAL ASSETS	<u><u>1,871,309.44</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts payable	869,875.17
Payroll related payables	<u>413.98</u>
Total Liabilities	870,289.15
Fund Balances:	
Non-spendable	40,103.27
Assigned	614,423.14
Unassigned	<u>346,493.88</u>
Total Fund Balances	<u><u>1,001,020.29</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>1,871,309.44</u></u>

See Accompanying Notes and Independent Auditors' Report

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2011**

Total Fund Balances - Governmental Funds	\$ 1,001,020.29
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Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet	<u>48,910.26</u>
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Total Net Assets - Governmental Activities	<u><u>1,049,930.55</u></u>
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See Accompanying Notes and Independent Auditors' Report

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2011**

REVENUES

Intergovernmental revenues	\$ 1,014,989.52
Fines, forfeitures, court costs and other	3,263,630.59
Application fees	471,514.84
Investment earnings	<u>11,682.20</u>
Total Revenues	4,761,817.15

EXPENDITURES

General government	635,610.34
Public defense	<u>4,372,568.46</u>
Total Expenditures	<u>5,008,178.80</u>
Change in Fund Balances	(246,361.65)
Fund Balances, beginning	<u>1,247,381.94</u>
Fund Balances, ending	<u><u>1,001,020.29</u></u>

See Accompanying Notes and Independent Auditors' Report

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

Net Change in Fund Balances - Governmental Funds \$ (246,361.65)

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which
depreciation exceeded capital outlay charged in the
current period.

(8,504.10)

Change in Net Assets - Governmental Activities

(254,865.75)

See Accompanying Notes and Independent Auditors' Report

NOTES TO FINANCIAL STATEMENTS

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

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**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

INTRODUCTION

The Nineteenth Judicial District Public Defender Board was originally established for the Nineteenth Judicial District by Louisiana Revised Statute 15:144 – 15:148. On August 15, 2007, the Board was abolished and authority transferred to the District Public Defender (Michael Mitchell) by Act No. 307 known as the Public Defender Act. It is considered a component unit of the City of Baton Rouge, Parish of East Baton Rouge.

The main purpose of the Public Defender is to provide legal counsel for public defendants. The appointments usually exceed 5,000 per year of the district's population of approximately 500,000.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting and reporting practice of the Public Defender conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the Governmental Accounting Standards Public Defender (GASB) which is the standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Public Defender includes all funds which are controlled by or dependent on the Public Defender which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. While the Public Defender is a part of the district court system, state statute gives each district Public Defender control over its operations. It operates autonomously from the State of Louisiana and independently from the district court system and, therefore, issues its own financial statements. Considered a component unit of the City of Baton Rouge and Parish of East Baton Rouge, these financial statements are included in that entity's financial statements.

Government-Wide Accounting: In accordance with Government Accounting Standards Statement No. 34, the Public Defender has presented a statement of net assets and statement of activities for the Public Defender as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the statement of net assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets.

Program Revenues

The statement of activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Public Defender. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

Direct/Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Public Defender has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of an entity's main operation are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Restricted Net Assets

Restricted net assets are those for which a constraint has been imposed either externally or by law. The Public Defender recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used.

Fund Accounting: The Public Defender uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. The Public Defender has only one category: governmental. Each category, in turn, is divided into separate fund types. The fund classification and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all of the Public Defender's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund – is the general operating fund of the Public Defender and accounts for all financial resources, except those required to be accounted for in other funds.

Basis of Accounting/Measurement Focus: The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund.

Governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when measurable and available, and expenditures are recorded when the related fund liability is incurred. An exception is unmatured principal and interest on general long-term debt which is recognized when due. The Public Defender considers all revenues available if they are collected within sixty days after year-end. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Budgets and Budgetary Accounting: The Public Defender is not required under Louisiana Revised Statutes to have public meetings on the adoption of its budget. The Executive Director prepares an annual budget for review by the Louisiana Public Defender Board. It is reviewed periodically during the year and amended, if deemed necessary.

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety (90) days or less. Under state law, the Public Defender may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed ninety days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The Public Defender had several certificates of deposit at Regions Bank with maturities greater than 90 days totaling \$26,022.63.

Prepaid Expenses: Prepaid expenses are composed of \$16,479.12 in unexpired insurance premiums and \$23,627.15 in health insurance premiums paid in advance.

Capital Assets: The Public Defender's assets are recorded at historical cost. Depreciation is recorded using the modified accelerated cost recovery system over the useful lives of the assets of 5 years for equipment and 7-10 years for office furniture. The Public Defender's capitalization policy includes adding all assets with a value of \$500 or more. However, assets that are less in value may be capitalized if their use will benefit more than one period such as recording equipment or chairs.

Compensated Absences: Sick time accrues at one day per month or four hours each pay period (semi-monthly). Vacation accrues according to the position held as follows:

Attorneys	4 weeks
Investigators, Admin Assistant, Office Manager	3 weeks
Secretaries	2 weeks

All vacation time expires at the end of each year, and therefore, no provision for compensated absences has been recorded in the accompanying financial statements. Sick leave, while not paid upon termination, is allowed to be carried over to subsequent years.

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

The Public Defender does not have any long-term debt.

Net Assets/Fund Balances: In the statement of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net assets that are restricted by external sources, such as banks or by law, are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Assigned

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that are available for any purpose

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. There is no custodial credit risk associated with these funds.

At June 30, 2011, the Public Defender had cash and cash equivalents (book balances) in its governmental activities as follows:

Demand deposits	\$ 233,455.94
Interest-bearing demand deposits	65,419.27
Money market savings	<u>542,431.48</u>
Total	<u>841,306.69</u>

NOTE 3 – RECEIVABLES

The following is a summary of governmental funds receivables at June 30, 2011:

Court	\$ 297,314.20
Sheriff	181,274.66
Defendant court-ordered	<u>2,426,439.81</u>
Sub-Total	<u>2,905,028.67</u>

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Less: Allowance for bad debts	<u>1,941,151.82</u>
Receivables, net	<u>963,876.85</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, being depreciated				
Equipment	\$ 191,899.42	\$.00	\$.00	\$ 191,899.42
Less: accumulated depreciation	<u>163,281.83</u>	<u>7,557.85</u>	<u>.00</u>	<u>170,839.68</u>
Net Equipment	28,617.59	(7,557.85)	.00	21,059.74
Office furniture	81,416.58	.00	.00	81,416.58
Less: accumulated depreciation	<u>52,619.81</u>	<u>946.25</u>	<u>.00</u>	<u>53,566.06</u>
Net Office furniture	<u>28,796.77</u>	<u>(946.25)</u>	<u>.00</u>	<u>27,850.52</u>
Net Capital Assets, being depreciated	<u>57,414.36</u>	<u>(8,504.10)</u>	<u>.00</u>	<u>48,910.26</u>

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of governmental funds payables at June 30, 2011:

Trade	\$ 56,098.85
Payroll and related	413.98
Rent	<u>813,776.32</u>
Total	<u>870,289.15</u>

NOTE 6 – PENSION PLAN

Plan Description. The Public Defender established a pension plan in 1992. Substantially all of the employees of the District Public Defender, Nineteenth Judicial District of Louisiana are members of this plan. This defined contribution plan is invested in American Funds, a mutual fund account held at A.G. Edwards. Each participant is fully-vested at the time of the contribution and will receive his/her individual fund at the time of retirement.

Funding Policy. The Public Defender contributes 7.5% of each participant's salary. Contributions, during the year, which were 100% funded, were \$190,560.

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Deferred Compensation Plan. While the participant is not required to make a contribution, employees are eligible to participate in the National Association of Counties (NACO) Deferred Compensation Program. The account value and annual earnings are not reported on the accompanying financial statements as all funds belong to the participants.

NOTE 7 - LEASES

There were no capital leases at June 30, 2011.

The minimum annual commitments under operating leases are as follows:

<u>Year</u>	<u>Office Space</u>
2012	159,450.00 + CPI increase

In the latter part of 2005, the Public Defender negotiated a new lease commencing January 1, 2006, at \$12,000 per month or \$144,000 for the first year. On the 1st day of each year, the annual rent will be adjusted upwards by the percentage change in the Consumer Price Index All Urban Consumer during the one-year period ending in November of the preceding year. Payments remitted and accrued during the year totaled \$158,401.61.

The previous lease expired on April 20, 2002, with an option to renew for one year under the same terms. The option was not renewed, and the Public Defender had been renting on a month-to-month basis. No payments were made during this time, and the amount currently owed on back rent is \$813,776.32.

NOTE 8 – FUND BALANCES

Fund balances in the amount of \$147,394.88 have been assigned by management for the defense of capital cases. Another \$457,028.26 has been assigned for operating reserves in the event that the Public Defender is not able to meet its payroll obligations.

NOTE 9 – GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2011, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government

Appropriations – general	\$ 713,852.00	
Appropriations – specific	297,493.00	
Other	<u>3,644.52</u>	
Total		\$ 1,014,989.52

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Local Government

Statutory fines, forfeitures, fee, court costs and other	3,735,145.43
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Investment Earnings	<u>11,682.20</u>
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Total Revenues	\$ <u>4,761,817.15</u>
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Expenditures:

Personnel Services and Benefits

Salaries	\$ 3,063,875.07	
Retirement contributions	190,559.98	
Insurance	348,811.98	
Payroll taxes	<u>37,681.71</u>	
Total		\$ 3,640,928.74

Professional Development

Dues, licenses and registrations	21,669.00	
Travel	<u>7,003.60</u>	
Total		28,672.60

Operating Costs

Library and research	56,445.89	
Contract services – attorney/legal	559,573.33	
Contract services – other	72,794.37	
Lease – office	158,401.61	
Lease – autos and other	39,764.46	
Travel – transportation	22,228.35	
Insurance	19,542.74	
Supplies	29,769.73	
Utilities and telephone	28,847.18	
Other	<u>351,209.80</u>	
Total		<u>1,338,577.46</u>

Total Expenditures	\$ <u>5,008,178.80</u>
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**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 10 – RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year ended June 30, 2011, that require disclosure in the accompanying financial statements.

NOTE 11 – LITIGATION AND CLAIMS

The Public Defender is not involved in any litigation and is not aware of any claims outstanding that require disclosure in the accompanying financial statements.

NOTE 12 – SUBSEQUENT EVENTS

There have been no events subsequent to year-end through the date of this report that would materially impact the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2011**

	<u>Budgeted</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 1,099,000.00	\$ 1,011,440.00	\$ 1,014,989.52	\$ 3,549.52
Court costs, fine and forfeitures	3,608,050.00	2,894,951.00	3,263,630.59	368,679.59
Application fees	120,027.00	163,024.00	471,514.84	308,490.84
Investment earnings	7,000.00	9,563.00	11,682.20	2,119.20
Total Revenues	4,834,077.00	4,078,978.00	4,761,817.15	682,839.15
EXPENDITURES				
General government	326,424.00	679,774.00	635,610.34	44,163.66
Public defense	4,477,653.00	4,361,455.00	4,372,568.46	(11,113.46)
Capital outlay	30,000.00	-	-	-
Total Expenditures	4,834,077.00	5,041,229.00	5,008,178.80	33,050.20
Change in Fund Balances	-	(962,251.00)	(246,361.65)	715,889.35
Fund Balances, beginning	1,247,381.94	1,247,381.94	1,247,381.94	-
Fund Balances, ending	1,247,381.94	285,130.94	1,001,020.29	715,889.35

See Independent Auditors' Report

SUPPLEMENTAL INFORMATION

MARY SUE STAGES, CPA
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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE AND OTHER MATTERS AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Michael Mitchell
The District Public Defender
Nineteenth Judicial District of Louisiana
P. O. Box 3356
Baton Rouge, Louisiana 70821

We have audited the financial statements of the governmental activities and the aggregate remaining fund information of the District Public Defender, Nineteenth Judicial District of Louisiana as of and for the year ended June 30, 2011, which collectively comprise the District Public Defender, Nineteenth Judicial District of Louisiana's basic financial statements and have issued our report thereon dated October 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Public Defender, Nineteenth Judicial District of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

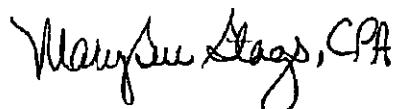
Internal Control over Financial Reporting

In planning and performing our audit, we considered the District Public Defender, Nineteenth Judicial District of Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Public Defender, Nineteenth Judicial District of Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District Public Defender, Nineteenth Judicial District of Louisiana's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the agency and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA,
A Professional Accounting Corporation
October 24, 2011

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2011**

We have audited the financial statements of the District Public Defender, Nineteenth Judicial District of Louisiana as of and for the year ended June 30, 2011, and have issued our report thereon dated October 24, 2011. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2011, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

A. Report on Compliance and Internal Control Material to the Financial Statements

Internal Control	Material Weakness	■	No
	Deficiency(ies)	■	No
Compliance	Material Weakness	■	No
	Deficiency(ies)	■	No

B. Federal Awards

N/A

Section II Financial Statement Findings

N/A

Section III Management Letter

N/A

**THE DISTRICT PUBLIC DEFENDER
NINETEENTH JUDICIAL DISTRICT OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2011**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Compliance and Internal Control Material to Federal Awards

N/A

Section III Financial Statement Findings

2010.01 Compliance with Budget Act

Criteria. Louisiana Revised Statute 24:513 requires that an audited financial statement be submitted to the Legislative Auditor within six months of the close of an entity's fiscal year. This equates to December 31st for the Public Defender. This deadline was not met for the year ended June 30, 2010.

Recommendation. We recommend that the books be delivered timely.

Disposition: Resolved

Section IV Management Letter

N/A